

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Budget Workshop on Thursday, May 8, 2008 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, Newland, NC.

Members Present: Kenny Poteat, Chairman; Susan Pittman, Vice-Chair; Phyllis Forbes; Scott Heath
Members Absent: Dan South

Call To Order

Chairman Poteat called the meeting to order at 3:40 p.m. Prayer was offered by Scott Heath.

FY 2008-2009 Budget

Tim Greene, Finance Officer, stated there were some new developments since the last budget meeting. The Finance Officer said the renewal quote for the medical insurance was \$74,000 less and the general liability insurance quote is \$62,000 less. . The Hold Harmless amount the State is guaranteeing each county comes out to \$500,000. The Finance Officer advised that the County would not actually get \$500,000 but the amount projected would be around \$173,000. The Finance Officer stated that these new developments would now bring the deficit down to \$295,000. The Finance Officer advised that Mayland Community College may be over budgeted also.

Chairman Poteat stated that basically the Board is looking for \$300,000 to cut. Chairman Poteat commented that the ad valorem taxes through growth is 3.04% and that increase automatically passes on to the Fire Commission. One cent additional tax for the Fire Commission is still intact, said the Finance Officer. The Finance Officer stated that the Budget presented from the Fire Commission is within the revenue. Phyllis Forbes stated that the Board has been very generous to the Fire Commission within the past two years.

Chairman Poteat stated that he had talked to another Chairman of a County Commission and that particular County was not building in any increase for sales tax as a projection. Chairman Poteat questioned whether this Board should build in any increase in sales tax. The Finance Officer stated he felt reasonably sure that the figure for the sales tax was a conservative figure. The County Manager advised that the County receives projections from the Department of Revenue regarding the sales tax revenue.

Scott Heath stated that the operating budget is up 50% with Avery Transportation. The Finance Officer advised there are two things that are contributing to the higher operating budgets in most departments; one is fuel and the other is allocated insurances and leases. The Finance Officer explained that the expense for the copier leases, equipment leases, workman's compensation insurance, etc. is allocated to every department and is based on the salary figures. Discussion regarding the Avery County Transportation budget. The Finance Officer stated that the Transportation budget gets approved by the State. He advised that on the capital items for the Transportation budget the County receives 90% back from the State and on certain operating items the County receives 85% back from the State.

Chairman Poteat questioned if the 4-H Program had been cut from the budget to the 4-H program. The Finance Officer stated that in the past the County Finance Office administered the financial part of the 4-H program and Tammy Hagie, Agriculture Extension Office, kept up with the expenses and the revenue. The Finance Officer advised that WAMY would be taking over administering the financial part of the 4-H program because in the County Finance Office a check could not be written at the time that the 4-H program needed it and the workers were paying for the expenses out of their own pocket and then getting reimbursed. The Finance Officer stated with WAMY taking over it would be a more efficient way of keeping up with the expenses and revenues and the 4-H program would have their funds more readily available. The County Manager commented that there was a new After-School program in the budget that was cut also.

Chairman Poteat questioned in the salaries and employee benefits items if there was a 3% increase included across the board and step increases where applicable. The Finance Officer stated that the 3% increase was built into the budget and the step increases were also built into the budget where applicable. Phyllis Forbes asked if everyone got the 3% increase. The Finance Officer stated that elected officials and the County Manager was not included in this 3% increase and any adjustment for the elected officials and the County Manager would be in December. The County Manager commented that he did not see any reason to wait until December and that it would be easier accounting wise to do an across the board increase of 3% to include the elected officials.

The County Manager stated that there would need to be two new positions for EMS to cover the Green Valley Substation that was incorporated into the budget and there would be some existing positions that would need to be considered for a salary increase.

The Finance Officer stated that the Sheriff and jail has a salary scale that is 3% higher than the other county employees. Discussion regarding the salary classifications.

The County Manager commented that prior to this year the Mapping Department was a function of the Tax Assessor's Office and Addressing was in the E911 Department. A new department for Mapping and Addressing was created with James Seaberg as the department head. Creating this new department reduced the budget in the E911 Department.

Chairman Poteat advised that big numbers in the budget gets a lot of scrutiny. Chairman Poteat stated in 2004/2005 in the Sheriff's budget there was a 10% increase; 2005/2006 budget there was a 3% increase; 2006/2007 there was a 23% increase; and in 2008/2009 there is a proposed 18% increase. Chairman Poteat advised that he was looking at a 7% increase or in that range which would be realistic in a lean year for the Sheriff's budget. Chairman Poteat believed he could not approve an 18% increase in the Sheriff's Budget. The County Manager stated that the 18% increase did not include the salary increases that the Sheriff had requested. The County Manager advised that the Sheriff's department picked up the position of resource officer and the Board of Education pays for the resource officer 10 months out of the year. Also, the Board had approved a new position in the 2007/2008 budget year for a courtroom officer. Chairman Poteat stated that he would approve a 10% increase in the budget because of the new position that had been approved in the 2007/2008 year. Scott Heath commented that he did not feel comfortable with telling the Sheriff, as an elected official, how to spend his money and the Sheriff needed to prioritize his needs. Scott Heath stated that he was looking at a 6% increase in the Sheriff's budget. Mr. Heath advised that he felt the Sheriff's job is to decide the priorities for the money that he is given.

Discussion regarding the Sheriff's department budget. The County Manager stated that out of the 7 counties in Western North Carolina that he used as comparison, the deputies in Avery County are \$1000 under the average annually. Phyllis Forbes stated that she did not want to lose good officers to other counties because of the salaries. Scott Heath said that there had to be a comparison also with the benefit package that the County offers. Ms. Forbes commented that a 10% increase in the Sheriff's budget is what she would recommend. Chairman Poteat stated that a 10% increase over last year would come up to \$1,556,051 versus last year's \$1,414,000. Chairman Poteat said that 10% increase instead of 18% increase would cut the Sheriff's proposed budget by \$118,000. The Finance Officer advised that there were 5 cars budgeted for the Sheriff and he felt like one car could be cut. Chairman Poteat stated that by consensus of the Board the salaries for the Sheriff's Department should not be infringed on as far as cutting the 18% increase in the Sheriff's budget to 10%.

Discussion briefly regarding the EMS budget which is down 20%. The Finance Officer advised that the EMS budget was down because some of the equipment that was needed was bought in the 2007/2008 budget and there were some other items that were cut out of the 2008/2009 budget.

Discussion briefly regarding Environmental Protection budget.

Discussion regarding the Recreation Department. The Finance Officer stated that the Recreation Department budget included the purchase of the land for the Recreation Department which is \$373,500 minus the \$1500 for appraisal. Scott Heath questioned the 15% increase in operating expenses on the Recreation Department budget. The Finance Officer stated the 15% increase included background checks for coaches and taking over the youth football program if the County takes responsibility for the program.

Discussion regarding Mayland Community College. Chairman Poteat advised that he had done some research and based on the numbers Mayland Community College is last for local funding; 58 out of 58 colleges. Chairman Poteat stated that if Avery County would commit to \$300,000 and Yancey and Mitchell Counties would commit to \$300,000, Mayland would improve to fourth from the bottom. Ms. Forbes commented that if that could be accomplished for several years in a row than possibly Mayland would move up in the numbers for the local funding. Ms. Forbes stated that Mitchell and Yancey Counties wanted to meet with all three counties to come up with an agreeable amount of money to commit to Mayland Community College. Chairman Poteat advised that he felt \$300,000 and no more than \$300,000 would be the commitment. Chairman Poteat stated that the average percentage of attendance over the four most recent semesters were Avery 25%, Mitchell 38% and Yancey 36%; Mitchell gets the biggest proportion of services.

Chairman Poteat questioned why Avery County Schools Capital had increased. The Finance Officer stated that last year there was less on the capital line item than normally would have been because ADM funds were being used and so this year \$500,000 was put into capital funds and then \$85,000 was added for the HVAC code violation and \$104,000 for the rubberized track.

Discussion regarding Toe River Health District proposed budget that was down 11%.

The County Manager advised there was \$18,000 request from Habitat for Humanity that was not included in the budget. The Finance Officer stated that both rescue squads had requested new ambulances that were not included in this budget.

Chairman Poteat advised that any increase above 3% for the Board of Education would increase the deficit and anything above 10% for the Sheriff would increase the deficit even more.

The Finance Officer stated if there was a \$200,000 surplus he would like to get some new accounting software and the accounting software would include the software for the Inspections Department. The Finance Officer advised that at some point there is going to have to be an upgrade of the accounting software.

Chairman Poteat stated that there is still a \$150,000 deficit and requested that the Finance Officer and County Manager examine every budget that is over a 10% increase.

Adjourn

Motion by Scott Heath and Second by Phyllis Forbes to adjourn this meeting at 5:55 p.m. Motion unanimously approved.

**Kenny Poteat, Chairman
Avery County Board of Commissioners**

ATTEST: _____
Cindy Turbyfill, Clerk